

Opening Statement
The Honorable John Kline
Ranking Republican Member
Subcommittee on Health, Employment, Labor, and Pensions
Securing Retirement Coverage for Future Generations
November 8, 2007

Good morning, Mr. Chairman, and welcome to each of our witnesses.

Last year, this Committee took the lead in enacting the most comprehensive reform of our nation's pension laws in more than three decades. The Pension Protection Act of 2006 embodied sweeping reform of these laws on every level. We strengthened funding requirements for defined benefit pension plans to ensure that plan sponsors were meeting their obligations to workers and retirees. We reformed the multiemployer pension plan system to ensure that these plans remain stable and viable for the millions of Americans who rely or will rely on them. We greatly enhanced pension plan financial disclosure requirements to participants, and modernized our defined contribution pension plan system to foster greater retirement savings. And we helped shield taxpayers from the possibility of a multi-billion dollar bailout by the federal Pension Benefit Guaranty Corporation.

The Pension Protection Act fixed broken pension rules that no longer served the workers who count on their retirement savings being there for them when they need it, and represented a major victory for American workers, retirees, and taxpayers. The fact that we were able to do it in a bipartisan way – with 76 Democrats supporting the bill, and in an election year, no less – demonstrated the critical nature of this issue.

Of particular relevance to today's hearing were provisions we included in the Pension Protection Act to ensure that Americans have greater opportunities to save for their retirement. These automatic enrollment provisions have encouraged employers to automatically enroll workers in defined contribution pension plans, while preserving for workers the choice to opt-out of them. These alone represent a giant leap forward for increasing our nation's savings rate and retirement security for workers.

The Pension Protection Act represented an enormous step toward moving our nation's pension system into the 21st Century. That said, there are few who would argue that our nation's retirement security is where it should be, or that more cannot be done to preserve and build on our voluntary, employer-based

retirement system. I look forward to hearing suggestions this morning from the range of excellent witnesses before us.

Before we get into the details of testimony, I would stress one point. As we will hear today, our nation's voluntary employer-based pension system is very much a story of success. Is it perfect? Nothing is. Is there room for improvement? I'm sure of it. But a fundamental principle must be that any further reforms we examine or undertake must first "do no harm." By that I mean to say that we would be doing our nation's workers a tremendous disservice if we adopt policies that "break" the parts that are not broken.

Finally, I'd offer a historical note. The Pension Protection Act we passed last year was the culmination of years of legislative preparation, hearings in our committee and in others, and a steady evolution of proposals, ideas, and language. As reflected in the overwhelming support this bipartisan bill enjoyed, the final product represented a careful balancing of the interest of various stakeholders and supporters, and most important, the interests of participants, workers, and beneficiaries. I hope that as we continue our examination of retirement security issues, and

particularly as we contemplate future changes, we adhere to that model of thoughtful deliberation.

With that in mind, I look forward to today's hearing, and the testimony of our witnesses as to their views on what next steps we can take to further retirement security for all Americans. I welcome them and yield back my time.